

10 Year History of General Fund Expenditures (FY 1997 - FY 2006)

(\$ in Millions)

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	10-Year Average
Inflation (GDP Deflator - Global Insight)	1.8%	1.3%	1.2%	1.8%	2.3%	2.1%	1.7%	1.9%	2.2%	1.8%	1.8%
<u>Population ('96-'02-Census, '03-'06-AZ Blue Chip)</u>	<u>3.3%</u>	<u>3.1%</u>	<u>2.9%</u>	<u>2.9%</u>	<u>2.7%</u>	<u>2.8%</u>	<u>2.6%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>2.9%</u>
Total (compounded)	5.2%	4.4%	4.1%	4.8%	5.1%	5.0%	4.3%	5.0%	5.3%	4.8%	4.8%
 Total Expenditures Excluding Prop. 301:	4,894.3	5,232.0	5,893.3	6,012.3	6,367.7	6,338.6	6,040.6	6,500.6	7,660.9	8,214.2	-
Annual % Growth	8.0%	6.9%	12.6%	2.0%	5.9%	-0.5%	-4.7%	7.6%	17.8%	7.2%	5.9%
<i>Above/(Below) Inflation and Population Growth</i>	2.8%	2.5%	8.5%	-2.7%	0.8%	-5.4%	-9.0%	2.7%	12.6%	2.5%	1.1%
 Total Expenditures Including Prop. 301:	4,894.3	5,219.6	5,893.3	6,012.3	6,367.7	6,777.3	6,461.6	6,956.1	8,166.2	8,754.5	-
Annual % Growth	8.0%	6.6%	12.9%	2.0%	5.9%	6.4%	-4.7%	7.7%	17.4%	7.2%	6.7%
<i>Above/(Below) Inflation and Population Growth</i>	2.8%	2.2%	8.8%	-2.7%	0.8%	1.5%	-9.0%	2.7%	12.1%	2.5%	1.9%
 Operating Expenditures (less Prop 301) w/o Major 1-Time Expenses or Savings: ^{1/ 2/ 3/ 4/5/}	4,738.9	5,078.8	5,693.4	5,946.3	6,345.2	6,361.7	6,221.9	6,610.1	7,345.3	8,168.9	-
Annual % Growth	6.9%	7.2%	12.1%	4.4%	6.7%	0.3%	-2.2%	6.2%	11.1%	11.2%	6.2%
<i>Above/(Below) Inflation and Population Growth</i>	1.7%	2.7%	8.0%	-0.3%	1.6%	-4.7%	-6.5%	1.3%	5.9%	6.5%	1.5%
 Operating Expenditures w/o 1-Time & Students FIRST: ^{6/}	4,738.9	5,078.8	5,382.5	5,627.2	5,871.2	5,978.1	6,182.1	6,587.3	7,226.7	7,796.4	-
Annual % Growth	6.9%	7.2%	6.0%	4.5%	4.3%	1.8%	3.4%	6.6%	9.7%	7.9%	5.7%
<i>Above/(Below) Inflation and Population Growth</i>	1.7%	2.7%	1.8%	-0.2%	-0.7%	-3.1%	-0.9%	1.6%	4.4%	3.1%	0.9%

1/ Prior to FY 2003, excludes Prop 301, capital, Budget Stabilization Fund Deposits, and administrative adjustments & revertsments.

2/ For FY 2003, same as footnote 1, but also excludes \$191 million in K-12 rollover savings.

3/ For FY 2004, same as footnote 1, but also excludes \$97.4 million in one-time Federal Match Rate savings.

4/ For FY 2005, same as footnote 1, but also excludes \$100 million in one-time SFB Deficiencies Correction costs, \$134 million in one-time Ladewig lawsuit settlement costs and \$156 million one-time Budget Stabilization Fund deposit.

5/ For FY 2006, same as footnote 1, but also excludes \$20 million in one-time SFB Deficiencies Correction costs, \$(22) million in one-time SFB new school construction debt service savings ("payment holiday") and \$58 million in one-time Ladewig lawsuit settlement costs.

6/ Same as footnote 1, but also excludes Students FIRST.